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DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

REPORT ON THE GRAIN TRADE. The report on the grain trade had its origin in the general food investigation made by the Federal Trade Commission and was later continued as a separate inquiry, the Bureau of Markets of the Department of Agriculture coöperating in the investigation. The report (*Report of the Federal Trade Commission on the Grain Trade: Vol. I, Country Grain Marketing; Vol. II, Terminal Grain Markets and Exchanges; Vol. V, Future Trading Operations in Grain.* Washington: Supt. Docs. Sept. 15, 1920. Pp. 350; 333; 347.) presents the most intensive and comprehensive study of the grain trade yet made. It logically falls into four main divisions: (1) country elevators and country grain marketing; (2) terminal grain markets and terminal cash grain business; (3) costs and profits of the present marketing system; and (4) future trading operations and their results. The three volumes that have already appeared are primarily descriptive in character; final conclusions and recommendations will be covered in a subsequent volume.

Country grain marketing. Schedule returns made by approximately 10,000 country elevators and warehouses in the United States, supplemented by numerous interviews and extensive correspondence, constitute the principal sources of information. In most instances, the returns are tabulated by grains, years, types of elevators, and principal grain-producing states. The inquiry covers approximately the period 1912-1918; and relates in general to the mechanism and methods of marketing wheat, corn, oats, barley, and rye. Most of the data and discussion relate to elevators; warehouses are numerically important only in the Mountain and Pacific states.

The primary functions of country elevators are the merchandising of grain and the warehousing of grain. Some elevators perform minor functions; for example, cleaning and conditioning grain, and handling other commodities. Country elevators are of two general classes, individual and line. "An individual house is one operated as a unit within itself. A line house is one of two or more operated at different towns by a central organization." These two classes include eight different types, the names and relative numerical importance of which are:

Individual:	Per cent	Line:	Per cent
Coöperative	18.42	Commercial	36.01
Independent	31.62	Coöperative	1.06
Mill	5.54	Mill	6.97
Malster05	Malster32

The commercial line, independent, and coöperative elevators are operated primarily to obtain merchandising profit from the purchase and sale of grain. The coöperative type is distinguished by being operated or owned

and operated by farmers. The mill types are concerned primarily with supplying mill-grinding requirements and only incidentally with buying and selling grain for profit.

One chapter is devoted to the historical development of country elevators and country marketing. An outstanding development in the marketing of grain in recent years has been the rapid growth in coöperative elevators. Not only are they rapidly increasing in number, but their importance is even greater than their number would indicate, for they operate at a disproportionately large number of country points as compared with other types of elevators and therefore their influence in determining grain prices is probably greater than that of any other type. Also they handle a considerably larger volume of grain.

The typical country elevator of today is of wood construction; the average capacity is about 25,000 bushels, and the average number of bins, ten. 49.3 per cent of the elevators are equipped with cleaning machinery; about 43 per cent of them clean grain for farmers. About four fifths of the elevators handle other commodities than grain, as coal, feed, and flour. The extent to which elevators use different sources of price information, as daily price cards and private wire services, is indicated. "On the average the country elevator buys slightly less than 100,000 bushels of grain annually, of which about 36 per cent is wheat, 31 per cent oats, 24 per cent corn, 7 per cent barley, and 2 per cent rye." The rate of capacity turnover is greatest for those elevators which handle corn in combination with one or more of the other four grains, because the bulk of the corn crop is harvested and marketed at a considerably later date.

"About 70 per cent of the grain shipped by country elevators goes to terminal markets (those markets receiving annually more than 1,000 cars of country grain) and about 7 per cent to smaller markets (those receiving less than 1,000 cars annually). The local mills absorb 13½ per cent of the country elevator shipments and interior brokers 6 per cent; about 2 per cent goes to feeders, and approximately the same proportion to miscellaneous purchasers. Of the grain shipped to specified markets, about 71 per cent is sold on consignment, the balance being sold "to-arrive" or "on-track" to representatives of these market organizations.

About 40 per cent of the elevators and warehouses generally hedge their grain, another 10 per cent hedge it to a limited extent, while about 50 per cent report no hedging. The proportion of elevator hedging in the various states varies directly with the proportion of consignment sales reported, and also directly with the extent of commission house financing of country elevators and the proportions of line elevators reported. Hedging is usually done in the markets to which the grain is generally shipped."

Line elevators obtain most of their funds from their head offices; and individual elevators, from either commission houses or local banks or both. Commission house financing is very important in Minnesota, North Dakota, South Dakota, and Montana. In general, competition in buying grain in the country is keen, especially that of the mill and coöperative elevators. It

affects not only grain prices but also grades, "dockages," weights, elevator and storage charges, and side lines.

Terminal grain markets and exchanges. This volume describes the growth and relative importance of the terminal grain markets, and the rules prescribed and the functions exercised by the grain exchanges. It covers ten primary and seven secondary markets. The primary market receives most of its grain from local points in producing territory; the secondary market, from primary markets. The volume of cash trading cannot be employed as a criterion of the relative importance of these markets owing to the lack of data. From the standpoint of receipts the order of importance of the primary markets is Chicago, Minneapolis, Kansas City, Duluth, St. Louis, Milwaukee, Omaha, Peoria, Indianapolis, and Cincinnati; of the secondary markets, Buffalo, New York, Baltimore, Philadelphia, Boston, Louisville, and Toledo. Consideration of local consumption—of the difference between receipts and shipments of grain—places the primary markets in this order: Minneapolis, Chicago, Milwaukee, St. Louis, Kansas City, Indianapolis, Peoria, Cincinnati, Omaha, and Duluth. Elevator capacity, indicating the facilities for merchandising, storing, and transferring grain, reveals the following line-up of primary markets: Chicago, Minneapolis, Duluth, Kansas City, Milwaukee, Omaha, St. Louis, and Peoria. Of the secondary markets, Buffalo has by far the greatest capacity. The controlling factors in the development of terminal markets have been: (1) proximity of the production area, (2) transportation facilities and rates (including terminal facilities), and (3) consumption demand, especially that of millers and converters.

The volume contains a detailed account of the historical development of the different grain markets and exchanges, especially the Chicago market and Board of Trade. It includes such subjects as transportation problems, the organization of the exchanges, the exchange halls, classification of members, the conflict of interest between classes of members, changes in rules and regulations, regulation of terminal elevators, opposition to bucket shops, judicial decisions relating to the exchanges and their practices, and the development of future trading. Future trading developed from purchases of grain "to-arrive" and by contract; it first became important during the Civil War.

The present rules and regulations of the various exchanges are compared. The exchange government—functions of officers and committees, adoption of rules, discipline, etc.—is described. Trading rules, relating to uniform commissions, regular warehouses, defaults on future contracts, etc., are presented. The functions of the exchanges are described. These include inspection, grading, weighing, and the collection and dissemination of quotations and market information, all of which suggest the importance

of exchanges to the public. Inspection, grading, and weighing are subject to state regulation in several markets. This has resulted in considerable duplication and overlapping of jurisdictions, especially in Kansas City and St. Louis. Federal grades of wheat, corn, and oats, recently announced by the Department of Agriculture, have instituted a nation-wide uniformity. An appendix contains the definitions of grain-marketing terms.

Future trading operations in grain. This volume describes in considerable detail the technique of future trading. A "future" is defined as "an agreement on the part of the seller to deliver, and of the buyer to receive and pay a certain price for, a certain kind and quantity of a commodity at some specified future time, under conditions prescribed by an exchange or understood in the trade." Payment for the grain as well as delivery is postponed. It is not a contract of sale. An actual sale may or may not occur as a result of a future transaction. The margin is not part payment; it is mere security put up by the seller as well as by the buyer. Future markets, in the approximate order of their importance, are Chicago, Minneapolis, Kansas City, Duluth, St. Louis, Milwaukee, and Toledo. Within recent years the quantity of future trading in grain has been about 20,000,000,000 bushels annually. About five sixths of this trading is done on the Chicago Board of Trade. This fact justifies the special attention which future trading in Chicago receives in this volume. Grain is the subject of future trading because it satisfies the prerequisites of homogeneity, durability, and adequacy of supply. Wheat, corn, and oats are the cereals most commonly traded in on a future basis.

"The standard grade of grain deliverable in specific satisfaction of standard future contracts is prescribed by exchange rules and is known as the contract grade. There may be more than one variety of contract grade, especially in the case of wheat." The advantages of broad deliverable grades, as in Chicago, consist "of keeping the channel of connection between future and cash transactions open and in good working order, and especially of preventing the technical exploitation of the market through corners." On the other hand, narrow deliverable grades, as in Kansas City, better secure "the delivery of a definite quality and kind of grain." Grain delivered on future contracts is usually at the bottom of the contract grade because terminal elevators intentionally mix different grades so that the resultant product will barely qualify for the contract grade.

Delivery on a future contract, though necessarily contemplated from a legal standpoint, is generally obviated by subsequent transactions which cancel the first contract. The methods by which futures are cancelled or "cleared," whether by clearing houses or otherwise, are minutely described.

The principal economic service of future trading is that it furnishes the grain merchant or manufacturer an opportunity to hedge. Hedging pre-

supposes (1) that for every cash purchase of grain there is a sale of futures in approximately the same amount and at the same time, and that for every cash sale, a purchase of futures; and (2) that cash and future prices will be affected substantially alike. The hedger ordinarily prefers not to deliver on his future sale. His grain will probably sell for more in the "sample market" than through delivery on the future. Also, the converters, the millers especially, who have bought futures against sales contracts, seldom wish to take delivery; they prefer to buy their grain by sample with reference to its adaptation to their particular needs.

The Board of Trade has provided certain safeguards against corners. Under an emergency clause, the board of directors "has power to expand or substitute facilities for delivery beyond or in the place of the warehouses designated by the board for the issuance of regular receipts." Also "delivery in cars direct from the country has been made possible." Cars must be within the Chicago switching district. In case of failure to deliver on any future contract, provision is made for a money settlement, including a penalty. Future quotations and market "gossip" are furnished by market letters, telephones from offices, private wires, and news ticker companies. There is little supervision of market gossip by the Chicago Board of Trade, which suggests the need of reform.

The most important physical facility for future trading consists of the great private wire systems. All of them except one, have head offices in Chicago. They lease their wires (96,000 miles of them in March, 1918) from the American Telephone and Telegraph Company, Western Union, and Postal. Rentals are probably \$2,000,000 a year. In 1918 they served 199 cities and towns in the United States and had 225 branch offices and 296 correspondents. The advantages of private wire communication over public wires for sending orders, confirmations, etc., are speed, privacy, and less likelihood of error. The concentration of outside futures business in the hands of private wire companies is increasing. The private wire offers quicker and more frequent service to the country customer than the commission house can over the public wires. Since 1910 the private wires have developed cash-grain departments and are making inroads upon the business of cash-grain houses. However, they serve chiefly the purposes of speculative trading in various markets, and in general stimulate speculation.

The Chicago Open Board of Trade is a satellite of the Chicago Board of Trade. It is called "open" because the privilege of the trading floor is open to customers; their orders for futures, however, may be executed only by the members. Trading is confined entirely to futures and privileges. Quotations are secured from the Chicago Board of Trade. The Open Board furnishes an opportunity to hedge in small quantities, as the unit of trading is 1,000 bushels; aside from this, its economic value is doubtful.

The last chapter of the report is devoted to the legal status of future trading.

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From the federal Department of Commerce have been received:

The *Annual Report of the Director of the Bureau of Foreign and Domestic Commerce for the Fiscal Year Ended June 30, 1920* (Washington, pp. 85).

Schedule Governing the Statistical Classification of Imports into the United States with Rates of Duty, and Regulations Governing the Preparation of Monthly and Quarterly Statements of Imports (1920, pp. 103).

Statistical Classification of Domestic Commodities Exported from the United States (1920, pp. 35).

Special Agents Series:

No. 195, *Swedish Forests, Lumber Industry, and Lumber Export Trade*, by A. H. Oxholm (1891, pp. 281). This contains maps, illustrations, and charts.

No. 201, *Lumber Markets of Spain and Portugal*, by N. C. Brown (1921, pp. 151).

No. 205, *Electrical Goods in British South Africa with Notes on Portuguese East Africa*, by R. E. Lundquist (1920, pp. 118).

The *Eighth Annual Report of the Secretary of Commerce* (Washington, 1920, pp. 189) summarizes the work of commercial attachés in Europe, Latin-America, and Far Eastern markets.

Bulletin 145 of the Bureau of the Census deals with *Cotton Production and Distribution, Season of 1919-20* (Washington, pp. 135).

From the Federal Trade Commission there has been received, in the series of cost reports on *Coal*, No. 7, *Trans-Mississippi States—Bituminous* (Washington, 1921, pp. 459). With previous issues this covers substantially all of the coal mines of the United States. Also *Report on the Petroleum Industry of Wyoming* (Washington, 1921, pp. 54).

The *Report of the Select Committee of the United States Senate on Reconstruction and Production* has been published as Senate Report No. 829, 66th Congress, 3d Session (Washington, Mar. 2, 1921, pp. 61). This accompanies the three volumes of *Hearings* before this committee which have been published. The report deals with housing conditions, coal, transportation, direction of credit, taxation, labor, and materials and building operations.

The *Annual Report of the Commissioner of Navigation* (Washington, 1920, pp. 242) contains data on the wages of seamen since 1895. There

are also summarized tables of the world's tonnage and the progress of British, German, and Japanese shipping.

Those interested in the Panama Canal may obtain pamphlets published by the United States Government by applying to the Panama Canal, Canal Zone, Executive Department, Balboa Heights, C. Z.

Public Utilities

The following public utility reports have been received:

Ninth Annual Report of the Public Utilities Commission of Connecticut (Hartford, 1920, pp. 784).

Report of the Public Service Commission for the First District of the State of New York for the Year Ending December 31, 1919, Vol. I (Albany, 1919, pp. 879).

Twelfth Annual Report of the Public Service Commission of the State of New York, Second District, for the year ended December 31, 1918 (Albany, 1920): Vol. II, *Abstracts of Reports of Corporations*: steam railroad, including operations by United States Railroad Administration, electric railroad, express, sleeping car, stage coach, baggage and transfer, stock yard, freight terminal (pp. 216); Vol. III, *Abstracts of Reports of Corporations*: electrical, gas, steam, telegraph, telephone (pp. 344).

Thirteenth Annual Report of the Public Service Commission, State of New York, Second District, for the year ended December 31, 1919, Vol. I (Albany, 1920, pp. 820).

Reports of the Decisions of the Public Service Commission, Second District, of the State of New York, from January 1, 1919, to December 31, 1919, Vol. VIII (Albany, 1920, pp. 563).

Reports of the Board of Public Utility Commissioners of the State of New Jersey, Vol. VII, February 18, 1919, to March 9, 1920 (Trenton, pp. 564).

Report of the Public Service Commission of Maryland for the Year 1920 (Baltimore, 1921, pp. 492).

Report of State Board of Tax Commissioners of Indiana for Year Ending 1920 (Indianapolis, 1920, pp. 122).

Thirty-sixth Annual Report of the Railroad and Warehouse Commission of Minnesota (Minneapolis, 1920, pp. 386.)

Tenth Biennial Report of the Wisconsin Tax Commission, 1920 (Madison, pp. 215).

Labor

The federal Bureau of Labor Statistics has issued the following bulletins: No. 263, *Housing by Employers in the United States*, by L. Magnusen (Oct., 1920, pp. 283).

No. 272, *Workmen's Compensation Legislation of the United States and Canada* (Jan., 1921, pp. 1211).

No. 277, *Labor Legislation of 1919* (Jan., 1921, pp. 409). This is a continuation of the series prepared for many years by Lindley D. Clark.

The Women's Bureau of the United States Department of Labor has prepared Bulletin No. 11, *Women Street Car Conductors and Ticket Agents* (1921, pp. 90), which contains tables showing the conditions of work as to hours, wages, night work, age, and marital condition.

Technical Paper 386, by W. M. Adams, reports the *Metal-Mine Accidents in the United States* during the calendar year 1919, with supplemental labor and accident tables for the years 1911 to 1919, inclusive (Washington, Bureau of Mines, 1921, pp. 99).

The *Brief for Appellees in the District of Columbia Minimum Wage Cases before the Court of Appeals of the District of Columbia*, submitted in the October term 1920, prepared by Professor Frankfurter and Miss Dewsen (National Consumers' League, 44 East 23d St., New York City, pp. 453) contains a large amount of extracts from reports of various commissions of the United States and also data in regard to the extension of minimum wage legislation not only in this country but in foreign countries. The material is conveniently arranged and furnishes much illustrative matter.

The following labor reports have been received:

New York Court Decisions on Labor Law and Industrial Disputes, January, 1915, to January, 1921 (Albany, Bureau of Statistics and Information, 1921, pp. 200).

Union Scale of Wages and Hours of Labor in Ohio on May 15, 1920, Department of Investigation and Statistics, Report No. 39 (Columbus, Industrial Commission, 1921, pp. 38).

Industrial Commission of Wisconsin, Biennial Report, 1918-1920 (Madison, 1920, pp. 93).

Labor Laws of the State of Wisconsin and Orders of the Industrial Commission, 1920 (Madison, pp. 336).

Nineteenth Biennial Report of the Bureau of Labor Statistics of the State of California, 1919-1920 (Sacramento, 1920, pp. 471).

Report on the Wages of Women employed in the Manufacture of Food Preparations and Minor Lines of Confectionery in Massachusetts, Division of Minimum Wage, Bulletin No. 23 (Boston, Dept. Labor and Industries, Nov., 1920, pp. 41).

Wages and Hours of Labor in the Metal Trades in Massachusetts, 1914-1919 (Boston, Dept. Labor and Industries, Sept., 1920, pp. 72).

Third Annual Report of the Minimum Wage Board of the District of Columbia for the Year Ending December 31, 1920 (Washington, 1921, pp. 64).

Minimum Wage Laws are Good Business; Minimum Wage Commissions, Current Facts; Earnings of Women in Factories and a Legal Living Wage (National Consumers' League, 44 East 23d St., New York, 1921, pp. 7, 16, 26).

Money, Prices, Credit, and Banking

A new edition of the *Instructions of the Comptroller of the Currency Relative to the Organization and Powers of National Banks, 1920*, has appeared (Washington, Supt. Docs., pp. 145, 15c.); also a two-volume edition of the *Report of the Comptroller of the Currency for 1920* (Washington, pp. 320, 886). The latter contains correspondence in regard to rates of interest charged on call loans in New York City.

The federal Bureau of Labor Statistics has issued Bulletin 269, *Wholesale Prices, 1890-1918* (Washington, 1920, pp. 205).

A circular issued March 15, 1921, by the research statistical department of the First National Bank in St. Louis is entitled *What Determines the Rate of Interest*.

The following reports have been received:

Sixty-third Annual Report of the Bank Commissioner on the Condition of Savings Banks, Trust and Banking Companies, etc., of Maine, 1919 (Augusta, pp. 144).

Twenty-first Annual Report of the Kansas Building and Loan Associations (Topeka, 1920, pp 98).

The Laws of Wisconsin Relating to Building and Loan Associations (Madison, 1920, pp. 24).

Fourteenth Annual Report of the State Bank Commissioner of Colorado, 1920 (Denver, pp. 273).

Public Finance

From the United States Tariff Commission has been received the *Fourth Annual Report, 1920* (Washington, pp. 64); Tariff Information Series No. 20, *Agricultural Staples and the Tariff* (1920, pp. 190), which contains much valuable material in regard to production, trade, and foreign competition, together with many charts and maps; and *Tariff Information Surveys on the Articles in Paragraphs 11-17 of the Tariff Act of 1913*, revised edition (1921, pp. 59).

The *Thirtieth Annual Report of the New York Tax Reform Association* (29 Broadway) discusses the need of changes in the tax law. It also gives a brief summary of legislation during 1920.

The following state reports have been received relating to taxation:

Biennial Report of the Commissioner of Taxes of Vermont for the Term Ending June 30, 1920 (Montpelier, 1920, pp. 158).

Tenth Annual Report of the New Hampshire Tax Commission, for 1920 (Concord, pp. 203).

Annual Report of the Commissioner of Corporations and Taxation for the Year Ending November 30, 1920 (Boston, pp. 226).

Report of the Tax Commission of Connecticut for the Biennial Period 1919 and 1920 (Hartford, pp. 194).

Eighth Report of the Board of Tax Commissioners of Rhode Island, for the biennial period 1919-1920 (Providence, pp. 69).

The Inheritance Tax Act of 1916, Rhode Island, Approved February 22, 1916 and May 5, 1920 (Providence, pp. 27).

Fifth Annual Report of the State Board of Taxes and Assessment of New Jersey, for the year ending June 30, 1920 (Trenton, 1920, pp. 357).

Report of the State Tax Commission, North Carolina, 1920 (Raleigh, pp. 457).

The Executive Budget of Ohio, 1921-1923 (Columbus, John E. Harper, State Budget Commissioner, pp. 140).

Twelfth Annual Conference of the State Board of Tax Commissioners and County Assessors of Indiana (Indianapolis, 1921, pp. 101).

Report of State Board of Tax Commissioners of Indiana for Year Ending 1920 (Indianapolis, 1920, pp. 122).

Report of Board of State Tax Commissioners and State Board of Assessors of Michigan, 1919-1920 (Lansing, pp. 109).

Assessed Valuation, Tax Levy, Tax Limitations and Tax Rates, Wisconsin, 1920 (Madison, pp. 30).

Tenth Biennial Report of the Wisconsin Tax Commission, 1920 (Madison, pp. 215).

Ninth Annual Report of the Colorado Tax Commission, 1920 (Denver, pp. 120).

Report of the California State Board of Equalization for 1919-1920 (Sacramento, 1921, pp. 78).

Insurance

The federal Bureau of Labor Statistics publishes in Bulletin No. 273 the *Proceedings of the Sixth Annual Meeting of the Interstate Association of Industrial Accident Boards and Commissions held at Toronto, September 23-26, 1919* (Aug., 1920, pp. 424).

Reference has been made (page 663 of the December, 1920, number of this REVIEW) to *The Status of Marine Insurance in the United States*. A supplement to this is entitled *Report on Legislative Obstructions to Development of Marine Insurance in the United States*, by S. S. Huebner.

This pamphlet also includes the proposed bill to regulate marine insurance which was approved by the Committee on Merchant Marine and Fisheries, December 11, 1920 (pp. 85).

There has been received the *Fourth Annual Report of the United States Employees' Compensation Commission* (1920, pp. 166).

Workmen's Compensation Act of Nova Scotia with Amendments to May, 1920, has been printed (Halifax, pp. 46); also *Report for 1920 of the Workmen's Compensation Board of Nova Scotia* (pp. 35).

Further reports received are: *Ninth Annual Report of the Industrial Insurance Department of Washington*, for 1920 (Olympia, pp. 75); and *Fourth Report of the State Industrial Accident Commission*, for the year ending June 30, 1919 (Salem, pp. 39).